

February 7, 2005

Dear Cambridge Resident,

We are pleased to inform low and moderate income Cambridge residents who need assistance in preparing their tax returns that a number of local organizations will once again be offering free filing assistance, in conjunction with the IRS's VITA (Volunteers in Tax Assistance) program. This letter contains the information you need to access such assistance.

We would also like to take this opportunity to inform residents about **three tax credits** that can help you save money on your taxes, increase your refund, or, in the case of the Earned Income Credit, actually **increase your income** (you may be eligible to claim the Earned Income Credit, even if you didn't earn enough to owe taxes).

- The Earned Income Credit (EIC)
- The Child Tax Credit (CTC), and
- The Child and Dependent Care Credit

For free on-line help in assessing eligibility for these credits visit **[www.irs.gov/individuals/parents/index.html](http://www.irs.gov/individuals/parents/index.html)**

The last page of this letter describes the basic eligibility guidelines for these tax credits. If you think that you **might** qualify, you owe it to yourself to investigate further. If someone else is helping you to prepare your tax return, make sure that they assess your eligibility for these credits.

Even if you've already filed your taxes this year – or if you were eligible but didn't claim these credits in 2001, 2002, or 2003 – **you can retroactively amend your tax returns to claim the credits and get the refund you deserve!** To claim these credits after you have already filed a tax return, you will need to file a Form 1040-X “amending” that tax return.

**In addition to these federal tax credits, there is a Massachusetts Earned Income Credit** which can reduce your State taxes, increase your refund, or boost your income.

As described in the attached flyer, **FREE tax preparation assistance** by volunteers/staff who have been trained by the IRS is available through the VITA program at a number of Cambridge and Somerville locations. **Most programs require appointments.**

For those who would like to try on-line filing, the IRS website lists numerous companies offering free on-line assistance: go to **<http://www.irs.gov/>** and click on “Free File” near the top of the IRS home page.

Good luck with your taxes this year.

Ellen Semonoff,  
Assistant City Manager for Human Services

## Sites Offering Free VITA-Sponsored Income Tax Filing Assistance\*

- **CEOC** (617-868-2900; 11 Inman Street in **Central Square**) VITA-trained staff are available **by appointment only**. Assistance is available during normal business hours (Mondays and Wednesdays 9:00am to 7:00pm; Tuesday, Thursdays, and Fridays 9:00am to 5:00pm) and by special appointment on Saturdays between 10:00am and 2:00pm. Assistance is targeted to persons with disabilities, elders, and persons with limited income. Bilingual assistance is available for speakers of **Spanish, Portuguese, and Haitian Kreyol**.
- **National Student Partnership** (three locations, as follows):
  - **Cambridge Office** (617-349-6338; 19 Brookline Street in **Central Square**) Assistance is available **by appointment only** during **weekday** operating hours, as follows: Mondays 9:00am to 8:00pm; Tuesdays through Thursdays 9:00am to 5:00pm; and Fridays 9:00am to 12:00 noon. Assistance is available in English and **Spanish**.
  - **Davis Square**, Somerville Office (617-623-6111 x224; One Davis Square, basement, in the offices of the Somerville Homeless Coalition) Assistance is available **by appointment only** during normal operating hours: **weekdays** 9:00am to 5:00pm. Assistance is available in English, **Spanish, French**, and a few dialects of **Chinese**.
  - **Union Square**, Somerville Satellite location (617-623-7370; in the offices of the Community Action Agency of Somerville (CAAS) at 66-70 Union Square.) Assistance is available **by appointment only** on the following **Saturdays** from 9:00am to 1:00pm: February 12 and 26, March 5 and 12, and April 2. Assistance will be provided in English, and on a limited basis, in **Portuguese and Haitian Kreyol**. Call for specific information about the dates that assistance will be provided in those languages.
- **Central Square Branch of the Cambridge Public Library** (617-349-4010; 45 Pearl Street) Harvard Business School tax volunteers will be available on a **first-come, first-served basis** (no appointments) on the following **Tuesdays** from 3:00pm to 6:00pm and on the following **Saturdays** from 10:00am to 4:30pm:
  - **Tuesdays:** February 15 and 22; March 1, 8, 15, and 22; April 5 and 12
  - **Saturdays:** February 19 and 26, March 5, 12, 19, and 26 April 9
- **East End House** (617-876-4444; 105 Spring Street; contact: Rand Thomas) Boston College tax volunteers will be available **by appointment only** on the following **Tuesdays** from 6:00 to 8:00pm: March 15, March 22, April 5, April 12, and on **Monday**, March 28 (also at 6:00 to 8:00pm).
- **North Cambridge Senior Center** (617-349-6320; 2050 Mass Ave.) Harvard Business School tax volunteers will be available **by appointment only** on Thursdays from 2:00pm to 5:00pm from February 17 through April 14 (except that tax assistance will NOT be available on March 31). Although the program is open to all, volunteers hope to target help to Cambridge seniors 60 and older.

**IMPORTANT NOTE:** To receive assistance, taxpayers should **bring identification** and should come prepared with all necessary **information about household composition, income, and expenses**, as follows:

- the Social Security Numbers of all household members (a copy of last year's tax return is helpful)
- W-2 forms from their employers,
- 1098 and 1099 forms showing interest income or payments and property tax payments,
- information about any tuition or student loan payments, alimony paid or received, child or other dependent care expenses, etc.

Please note that due to the broader availability of services offered in other locations, VITA volunteers will **NOT** be providing tax assistance at the Citywide Senior Center (806 Mass. Av in Central Square) this year.

Please also note that access to IRS-supported programs is not geographically restricted; these and other VITA programs may serve residents of any community.

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\* VITA (Volunteers in Tax Assistance) is a program of the IRS.

**Note:** The EIC isn't just for working parents. It's also available to other working caregivers. And it's also available to low income households that don't have any children. See below for details.

## **Earned Income Credit**

- Single, married, or divorced parents, grandparents, foster parents, step parents, or adoptive parents who were employed for at least part of the tax year, who raised one child in their home, and who had a family income of less than \$30,300 (single person) or \$31,300 (married filing jointly) can get an EIC of up to \$2,604.
- Single, married, or divorced parents, grandparents, foster parents, step parents, or adoptive parents who were employed for at least part of the tax year, who raised two or more children in their home, and who had a family income of less than \$34,450 (single person) or \$35,450 (married filing jointly) can get an EIC of up to \$4,300.
- Single, married, or divorced adults between the ages of 25 and 64 who were employed for at least part of the tax year, but who were not raising any children in their home, and who had a household income of less than \$11,450 (single person) or \$12,450 (married filing jointly) can get an EIC of up to \$390.
- Claiming the EIC will **not affect** eligibility for government benefits like TAFDC, SSI, Food Stamps, Mass Health, or public or subsidized housing.
- Many legal immigrants who are employed can get the EIC. In order to claim the EIC, the taxpayers and any dependent child claimed on the EIC form must have a valid Social Security Number. The filer should be a "resident alien for tax purposes" for the entire tax year, whose primary residence was in the United States. Claiming the EIC will not affect an immigrant's future ability to obtain citizenship or to sponsor family members.

## **Child Tax Credit (up to \$1,000 per child)**

- Single, married, or divorced parents, grandparents, foster parents, step parents, or adoptive parents who were employed for at least part of the tax year, who are eligible to claim as a dependent one or more child under the age of 17 and who had a taxable earned income of less than \$110,000 (married filing jointly), \$75,000 (individual), or \$55,000 (married filing separately)
- Claiming the CTC will **not affect** eligibility for government benefits like TAFDC, SSI, Food Stamps, Mass Health, or public or subsidized housing.
- Many legal immigrants who are employed can get the CTC. Generally speaking, in order to claim the CTC, children claimed must be U.S. citizens or resident aliens, and the immigrant workers, their spouses, and/or children listed on your Form 1040 or 1040-A must each have a valid Social Security number or Individual Taxpayer identification Number (issued by the IRS to persons not able to obtain a SSN) that permits them to work legally in the United States. Claiming the CTC will not affect an immigrant's future ability to obtain citizenship or to sponsor family members.

## **Child and Dependent Care Tax Credit (up to \$3,000 for one parent and up to \$6,000 for couples)**

- Single, married, or divorced parents, grandparents, foster parents, step parents, or adoptive parents who were employed for at least part of the tax year, and who paid for child care or for care for a disabled member of their household whom they claim as a dependent on their Form 1040 or 1040-A may reduce their tax liability by claiming the Child and Dependent Care Credit (CDCC).
- The credit is a percentage, based on your adjusted gross income, of the amount of employment-related child and dependent care expenses you paid to a care provider. The credit can range from 20 to 35% of your qualifying child or dependent care expenses, depending upon your income. Note that the credit is available regardless of whether the paid caregiver is a person (including a relative) or a public or private organization providing the child or dependent care. In order to claim the credit, you will need to provide the name and taxpayer identification number of the provider organization (if the provider is not tax exempt), or, if the provider is an individual, his or her Social Security Number.

**Note:** If you are considering retroactively claiming any of these tax credits for 2001, 2002, or 2003, please be aware that the income limits and the amounts of the tax credits in those years are slightly lower than the 2004 limits and credit amounts.